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Message Text

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PAGE 01 JIDDA 00256 131027Z

14
ACTION TRSE-00

INFO OCT-01 NEA-10 ISO-00 AID-05 COME-00 EB-07 OMB-01

CIAE-00 INR-07 NSAE-00 /031 W
---------- 071881
R 130915Z JAN 76
FM AMEMBASSY JIDDA
TO SECSTATE WASHDC 3362
INFO AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMCONSUL DHAHRAN

UNCLAS JIDDA 0256

PASS TREASURY FOR OMEA

E.O. 11652: N/A
TAGS: EFIN, USSAEC, SA
SUBJECT: REPORT ON FINANCIAL INSTITUTIONS: ARAB INVESTMENT COMPANY

REF: STATE 62, A-7621

1. EMBASSY UPDATE OF TREASURY MATERIAL ON ARAB INVESTMENT COMPANY FOLLOWS.
(EMBASSY HAS NOT RECEIVED ENCLOSURES TO A-7621 UPDATING REQUIREMENTS FOR EACH INSTITUTION. WOULD APPRECIATE TREASURY ACTION TO FORWARD ENCLOSURES BY APO SOONEST):

2. ARAB INVESTMENT COMPANY (AIC)
A) HEADQUARTERS: RIYADH, SAUDI ARABIA
B) ADDRESS: P.O. BOX 4009, AIRPORT ROAD
TELEX 2001/ARABVST
CABLE: AMWAL
TELEPHONE: 011-67686

CAIRO BRANCH: P.O. BOX 139
TELEX 2303/TAIC
CABLE: ARAB AMWAL
TELEPHONE: 908983
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PAGE 02 JIDDA 00256 131027Z

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

KHARTOUM BRANCH: P.O. BOX 2242 KHARTOUM
TELEX 624 ITAIC
CABLE: AMWAL
TELEPHONE: 75571/2/4
C) ADMINISTRATION: CHAIRMAN: ABDUL AZIZ AL-RASHID OF
SAUDI ARABIA
PRESIDENT AND MANAGING DIRECTOR:
IBRAHIM AL-IBRAHIM OF KUWAIT
BOARD OF DIRECTORS: NOT MORE THAN
10 MEMBERS. TO QUALIFY FOR ELECTION
TO BOARD, A MEMBER NATION MUST SUB-
SCRIBE AT LEAST $20 MILLION (10 PERCENT OF
ORIGINAL AUTHORIZED CAPITAL).
D) MEMBERSHIP: SAUDI ARABIA, KUWAIT, THE SUDAN, EGYPT,
QATAR, ABU DHABI, BAHRAIN, SYRIA, IRAQ, JORDAN,
TUNISIA, MOROCCO, LIBYA AND OMAN.
E) CAPITAL: AUTHORIZED CAPITAL OF $300 MILLION AS OF
OCTOBER, 1975 (INITIAJ AUTHORIZED CAPITAL OF $200
MILLION, RAISED TO $255 MILLION IN MARCH, 1975);
SUBSCRIBED CAPITAL OF $286 MILLION, 20 PERCENT PAID
UP AS OF DEC. 31, 1975; MEMBERSHIP SHARES MAY BE
INCREASED TO RAISE SUBSCRIBED CAPITAL TO $296 MILLION.
PLANS NOW CALL FOR INCREASE IN PAID IN CAPITAL TO TOTAL
OF 40 PERCENT, AS OF MARCH 31, 1976.
F) FUNCTIONS: TO INVEST ARAB PUBLIC FUNDS ON COMMERCIAL
TERMS, DEVELOPING RESOURCES AND CARRYING OUT PRODUCTIVE
PROJECTS IN THE FIELDS OF AGRICULTURE, INDUSTRY, COMMERCE,
COMMUNICATIONS AND SERVICES IN MEMBER STATES. PRIORITY
SECTORS WILL BE AGRI-BUSINESS, METAL WORKING, AND TOURISM
DEVELOPMENT. THE AIC WILL NOT INVEST IN NON-ARAB
COUNTRIES, BUT WILL INVEST IN NON-MEMBER COUNTRIES. THE
COMPANY PREFERS TO TAKE EQUITY IN A PROJECT, BUT WILL ALSO
MAKE LOANS. AIC WILL ALSO SETHUP SEPARATE COMPANIES TO
ESTABLISH NEW COMMERCIAL PROJECTS AND WILL ENGAGE IN ALL
ACTIVITIES FROM PRODUCTION TO MARKETING. IT WILL NOT
ENGAGE IN ANY INFRASTRUCTURE PROJECTS (SUCH AS UTILITIES).
PLEASE NOTE: CONTRARY TO TREASURY INFO, THERE IS NO PLAN
OR INTENT TO OPEN THE COMPANY TO PRIVATE ARAB MONEY.
G) TERMS: NEGOTIABLE, BUT AT COMPETITIVE RATES.
H) OPERATIONS: THE FIRST PROJECT TO BE CARRIED OUT
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HELPED ESTABLISH THE KENENA SUGAR COMPANY
TO OPERATE SUDAN'S $180 MILLION SUGAR ESTATE PROJECT.
THE COMPANY ALSO OWNS 10 PERCENT OF THE ARAB INTER-
NATIONAL INSURANCE COMPANY. OTHER PROJECTS NOW UNDER
STUDY ARE: A HOTEL PROJECT IN RIYADH; AN OFFICE BUILDING
IN CAIRO (WITH THE KUWAIT REAL ESTATE CONSORTIUM); A
PULP AND PAPER PROJECT IN MOROCCO; A REFINERY IN JORDAN;
A TRUCK TRAILOR PLANT IN EGYPT (PRELIMINARY STUDIES JUST

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COMPLETED BY ARTHUR D. LITTLE); A TOURIST DEVELOPMENT HOLDING COMPANY IN SYRIA (ARTICLES OF INCORPORATION PROBABLY WILL BE SIGNED THIS MONTH); GOODYEAR RUBBER PROJECT IN EGYPT; ARAB COMPANY FOR MINING; AND THE ARAB COMPANY FOR THE DEVELOPMENT OF LIVESTOCK RESOURCES.
I) CONCESSIONS: AIC FUNDS ARE GRANTED FULL FREEDOM OF MOVEMENT AND GUARANTEED AGINST NATIONALIZATION, EX-PROPRIATION AND OTHER NON-COMMERCIAL RISK BY MEMBER COUNTRIES; PROFITS, DIVIDENDS AND RESERVES ARE EXEMPTED FROM TAXES, DUES AND TARIFFS IN SAUDI ARABIA; PROJECTS IN MEMBER COUNTRIES WILL BE EXEMPTED FROM TAXATION FOR A MINIMUM OF FIVE YEARS, BEGINNING WITH THE FIRST YEAR IN WHICH ANY SUCH PROJECT REALIZES A PROFIT.
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Disposition Event:
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To: STATE
Type: TE
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